

26

October 2, 2008

State Boundary Commission

RE: Docket # 08-I-1

Michigan Department of Labor & Economic Growth

P.O. Box 30704

Lansing, MI 48909

**RECEIVED**  
**DEPT. OF LABOR & ECONOMIC GROWTH**

**OCT - 2 2008**

**STATE BOUNDARY COMMISSION**

I'm in favor of Incorporation of the Village of Sebewaing to Home Rule City, Including the proposed expansion.

Victoria M. Story

27

October 2, 2008

State Boundary Commission

RE: Docket # 08-1-1

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OCT - 2 2008

STATE BOUNDARY COMMISSION

I'm in favor of Incorporation of the Village of Sebewaing to Home Rule City, Including the proposed expansion.

Randy O. Story

28

# TOWNSHIP OF SEBEWAING

PHONE 989-883-2120

FAX 989-883-9723

P.O. BOX 687

SEBEWAING MI 48759

## FACSIMILE TRANSMISSION SHEET

DATE: 10-3-08TO: State Boundary CommissionFROM: Sebewaing Township Treasurer - Nancy LayherSUBJECT: Re: Docket # 08-1-1NUMBER OF PAGES SENT: 5 PLUS COVER SHEETRECEIVED  
DEPT. OF LABOR & ECONOMIC GROWTH

OCT - 3 2008

STATE BOUNDARY COMMISSION

To the Boundary Commission  
October 3, 2008

I live in the village but also serve on the Sebewaing Township Board as the treasurer. This letter is in reference to the Sebewaing Village becoming a city. Back in July 2006 the city commission gave the Sebewaing Township Board a letter asking for two things. A share of the road millage that the township collects and also take over the responsibilities of the police department. I have attached the letter that the City Committee gave the township, which the township board took as an ultimatum. The city committee denied ever giving us an ultimatum at the Boundary hearing on September 4, 2008.

The boundary committee advised the village and the township to try to get together and iron out their differences. Letters are attached pertaining to setting up meetings. We met with the village council on September 29, 2008. Members of the city committee that are on the village council told the township board that they will not stop the process of becoming a city. The township, in good faith, was hoping that differences could be resolved.

At the September 29<sup>th</sup> meeting, the Village President proposed 3 items. Again, the road millage, money toward police protection, and now a third issue, the village parks. A meeting for October 28<sup>th</sup> has been set for both boards to meet again. The township intends to offer proposals to the village for those three items. I feel the township board is trying to give a little, but the city committee is very negative to the township board. The city committee told the township board that they could not stop the process. It is our understanding that they can request the boundary commission to stop the process at the next boundary commission meeting. I hope you see my view and deny the Sebewaing City Committees request to incorporate the village into a city.

Nancy Layher  
22 N. 7<sup>th</sup> St  
Sebewaing, MI 48759

## **VILLAGE OF SEBEWAING, MICHIGAN**

*(An Equal Opportunity Employer)*

**GATEWAY TO HURON, MICHIGAN'S LEADING AGRICULTURAL COUNTY**

Phone (989) 883-2150 - Zip Code 48759 - 108 West Main Street

June 28, 2006

Dear Township Trustees:

The Village of Sebewaing is actively engaged in the process of becoming a city. There are many reasons for this decision, but the most important is the need to reduce taxes for the residents of the Village and to enhance economic growth within the Village.

However, before the Village, which is part of Sebewaing Township, continues with this process, it was decided that a show of good faith to the Township should be shown. Therefore, the Village asks that Sebewaing Township consider the following proposals:

1. Sebewaing Township will return a 45 per cent share of the new road millage to the Village of Sebewaing to be used to repair or upgrade Village roads. Since the residents of Sebewaing pay 45 per cent of the road tax, the Village's share of the road money should be used to improve village roads. Presently all Township money is used for roads outside the Village, even though, the Village of Sebewaing is part of the Sebewaing Township. Roads in both the Township and the Village are used by all residents whether they live inside or outside the Village of Sebewaing.
2. Sebewaing Township will take over the responsibilities of the local police department. Thus, the Sebewaing Village Police Department will become the Township Police Department. This way we would all pay for and profit from having a local police department. Also it means that all emergency services will be managed through the Township.

If we can come to terms on these issues, we will not continue the process of becoming a city. Otherwise, we will have no alternative except to continue. With respect to the Village of Sebewaing, please respond to the above request by ~~July 11, 2006~~.

Respectfully,

*July 17, 2006*  
*8:00am*

Sebewaing City Study Committee

# TOWNSHIP OF SEBEWAING

PHONE 989-883-2120

FAX 989-883-9723

P.O. BOX 687

SEBEWAING MI 48759

09-10-08

PATRICE GETTEL LINDOW  
VILLAGE PRESIDENT

Dear Village Council Members

Following various discussions with the Township Board members I would like to inform you that we would like to meet with the Village Council to see if it is possible to discuss our differences as was suggested by the Boundary commission. We are trusting that you will be able to arrange this meeting.

Yours Truly



Willet Oeschger, Supervisor

***VILLAGE OF SEBEWAING, MICHIGAN***  
(An Equal Opportunity Employer)  
***GATEWAY TO HURON, MICHIGAN'S LEADING AGRICULTURAL COUNTY***  
Phone (989) 883-2150 - Zip Code 48759 - 222 N. Center Street

September 17, 2008

Township of Sebewaing  
PO Box 687  
Sebewaing, Michigan 48759

Attention: Willet Oeschger, Supervisor

Dear Mr. Oeschger:

This will acknowledge receipt of your letter dated September 10, 2008 requesting a meeting between the Sebewaing Township Board and the Sebewaing Village Council. Your letter was reviewed at our regular council meeting on September 15, 2008, and the Council has agreed to meet with your Board on Monday, September 29, 2008 at 7:00 p.m. at the Village Office. Will you please advise whether this date and time will work for the Township Board members. I look forward to hearing from you.

Sincerely yours,



Patrice E. Gettel-Lindow  
Village President

PEGL/slh

**Holmes, Christine A (DLEG)**

29

**From:** Charles Schweitzer [charlesschweitzer@att.net]  
**Sent:** Friday, October 03, 2008 7:11 AM  
**To:** Holmes, Christine A (DLEG)  
**Subject:** SBC meeting in Sebewaing on Sept. 4, 2008

October 2, 2008

Dear State Boundary Commission:

After attending the Sept. 4th meeting in Sebewaing with the State Boundary Commission, three aspects bother me -- the bias of some of the commissioners, an inequality of representation by special interest groups, and a lack of understanding of past efforts to work with the trustees on the Sebewaing Township board.

First, it seemed to me that the commissioners were biased. They seemed to be more interested in their own situation. The State Commissioner from a township didn't seem to believe in becoming a city. Her only concern during the questioning period was that one person in the audience who wanted to know why this whole "city process" started deserved a specific name of a person who started the whole process. Our response that the idea started with an MML article was not good enough. The other State Commissioner who is a city manager seemed to be concerned that we thought we could get along without hiring and paying a city manager and indicated he hoped not since that was his job in the city he lived in. One of the local commissioners just wanted us to work with the township. He made this comment with no knowledge of previous attempts made by the village in the past. Perhaps it would have been better if he had asked if we had made any serious attempts in the past. Out of the four commissioners, three wanted us to talk to the Township and work out our differences. I got the impression that this meant we should give up the whole "city process."

Secondly, I would like the State Boundary Commission to understand that the majority of the people who spoke out against the city were special interest groups. Two of the people who were village residents work for the Township, and I'm sure are concerned about their job security. The majority of the others were from Hickory Court which is an area that the State Boundary Commission proposed be included in the new city. These people have been enjoying the benefits of village residents -- sewer, water, and electric-- for many years and even though they pay a little extra, it doesn't seem fair that they should not be included in the new city. Also many people didn't come because the 4:00 meeting time meant that they would have to take off work and in these times, that can be difficult.

Finally, I would like to comment on working with the Township. In about 1998 or 1999 the Township decided to build a new Township Hall within the Village limits. The voters had no say in this because the Township had enough money in their General Fund to pay for the building; therefore, three people out of five could make this decision. At that time, the Village asked to attach a new Village office to the Township building. The same five people had the power to turn down the village request. That new building sits unused most of the time as the Township only uses it for, maybe, half a day each day. This could have been a big savings for all residents because the Village recently had to purchase and remodel an older building so we would have an office big enough to accommodate the needs of the Village and possibly a City. Within the last couple of years, we have repeated ask for help with our Village parks, our Village roads, and the Village police who often go outside the Village limits to assist or answer calls in Sebewaing Township. We are usually turned down. The last time when we asked for some help on paving East Sebewaing St., they indicated that because we were trying to become a city, they couldn't help us, and then on the evening of the SBC meeting, they said they would give us \$11,000 +. The Village had not even received any official notification yet. Since the State Boundary Commission

10/3/2008



meeting, the Village and Township have met once, and after much discussion the two entities are suppose to go back to their individual boards and discuss some of the proposals before we meet again. However, the Township's last question was if our talk would end our quest to become a city.

I, and many others who are for us becoming a city, came out of the meeting feeling as though our time and money on this was wasted because even the commissioners and the State Boundary Commission was against the idea of Sebewaing becoming a city.

I am a Village resident and a fairly new trustee of the Village of Sebewaing. I would appreciate that my position as Village Trustee and my name be kept confidential because of possible repercussions if we do not become a city.

Sincerely,

Charles Schweitzer  
Sebewaing Village Trustee

10/3/2008

To the state boundary commission.,

My thinking on the Sebawaing city issue is I and many residents are in favor of the incorporation but not

Where the boundary commission proposed . The south boundry of hicory court should would be the the

New proposed boundry.. I am inclosing a map that I recived at the village office.

Thank You

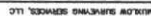
A concerned village resident

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OCT - 6 2008

STATE BOUNDARY COMMISSION

(62-15-00) - (U)



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A CONSERVED VILLAGE RESIDENT

September 29, 2008

31

Department of Labor & Economic Growth  
State Boundary Commission  
Bureau of Construction Codes  
PO Box 30704  
Lansing MI 48909

RE: DOCKET # 08-I-1

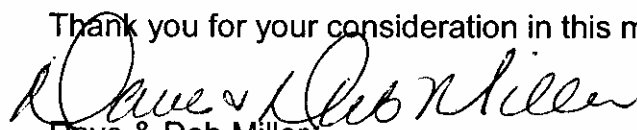
As residents and property owners of Hickory Court in Sebewaing, Michigan, please consider our concerns regarding boundary changes and cityhood for Sebewaing.

1. The community we live in is not an area of growth opportunity at this time. Businesses have closed and more are closing; many homes are for sale and some already vacant. Changing the boundaries and increasing the tax base will only create more vacant homes in an area that is already suffering from the poor economy.
2. The Village of Sebewaing provides Hickory Court with utilities; namely, lights, water and sewer. However, the key point is Hickory Court residents and others outside of the Village pay a quarterly surcharge for sewer service that Village residents do not pay.
3. When purchasing our home in 2004, one important key point to us was the lower tax base. We cannot afford higher taxes; many residents of Hickory Court are retired and live on a fixed income while others are working to make ends meet. Resale of homes is already a concern and a higher tax base only discourages home buyers.
4. Ultimately, if the boundaries are changed, it will be a loss to Hickory Court residents and also to the Village of Sebewaing as more homeowners move out of the area and more homes become vacant.

**After attending the public hearing on September 4, it is clear to us that there is conflict between the Village and Township officials on the process and costs associated with becoming a city. At this time, we do not believe that Sebewaing is ready for cityhood. Unfortunately, many residents may not have accurate information necessary to knowingly vote on this issue.**

Again, we can only stress the importance of not changing the existing boundaries and not granting cityhood to Sebewaing at this time. Home buyers and current homeowners cannot afford higher taxes in today's economy and this will further divide residents in an area that is already suffering from economic and growth hardship.

Thank you for your consideration in this matter.

  
Dave & Deb Miller  
595 E Hickory Court  
Sebewaing, MI

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OCT - 6 2008

STATE BOUNDARY COMMISSION

**Holmes, Christine A (DLEG)**

32

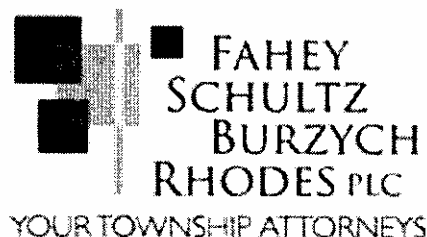
**From:** William Fahey [WFahey@fsblawyers.com]  
**Sent:** Sunday, October 05, 2008 9:21 PM  
**To:** Holmes, Christine A (DLEG)  
**Cc:** sebtwp@sebewaing.net  
**Subject:** Docket No. 08-I-01

Dear Christine,

Enclosed for filing on October 6, 2008, with the Boundary Commission in Docket No. 08-I-01 are Sebewaing Township's 30-Day Submissions. Thank you for your assistance in bringing these to the Boundary Commission's attention.

Best regards,

Bill Fahey



**William K. Fahey, Attorney**  
 4151 Okemos Road  
 Okemos, MI 48864  
 Direct Dial: (517) 381-3150  
 General: (517) 381-0100  
 Facsimile: (517) 381-3170

Email: [wfahey@fsblawyers.com](mailto:wfahey@fsblawyers.com)  
 Website: [www.fsblawyers.com](http://www.fsblawyers.com)



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**DEPT. OF LABOR & ECONOMIC GROWTH**

**OCT - 6 2008**

**STATE BOUNDARY COMMISSION**

NOTICES from Fahey Schultz Burzych Rhodes PLC:

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10/6/2008

**STATE OF MICHIGAN**  
**STATE BOUNDARY COMMISSION**

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In the Matter of the Petition for Incorporation of the  
Village of Sebewaing into a Home Rule City.

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Docket No. 08-I-01

**SEBEWAING TOWNSHIP'S 30-DAY SUBMISSIONS**

**INTRODUCTION**

Sebewaing Township, by its attorneys, Fahey Schultz Burzych Rhodes PLC, respectfully presents these 30-day Submissions to the State Boundary Commission. The purpose of these 30-day Submissions is to provide the State Boundary Commission additional information and supporting information relative to the Public Hearing.

**STATUTORY CRITERIA FOR INCORPORATION**

Pursuant to Section 9 of Act 191, the State Boundary Commission is required to consider 18 objective criteria in making its determination to approve or disapprove a proposed incorporation. Section 9 of Act 191, MCL 123.1009, says that the "**criteria to be considered by the Commission in arriving at a determination shall be**" the 18 objective "**criteria**" listed in that statute. MCL 123.1008 reiterates that:

"The commission **shall review** proposed incorporations considering **the criteria established by section 9 . . . .** At the public hearing the reasonableness of the proposed incorporation based on **the criteria established in this act shall be considered.**" (Emphasis added).

These statutes repeatedly use the mandatory word "shall" in commanding and directing the Commission to follow the Section 9 criteria. The Michigan Supreme Court has

recently explained that, in the construction of statutes: “‘Shall’ is a **mandatory** term, not a permissive one.” *People v Francisco*, 474 Mich 82, 87; 711 NW2d 44 (2006). “The Legislature’s use of the word ‘shall’ indicates a **mandatory and imperative** directive.” *Burton v Reed City Hosp Corp*, 471 Mich 745, 752; 691 NW2d 424 (2005).

In *Midland Township v State Boundary Commission*, 401 Mich 641, 667-669; 259 NW2d 326 (1977), our Supreme Court considered whether the State Boundary Commission Act contained sufficient standards to allow the constitutional delegation of annexation authority to the Commission under Michigan law. The Court held that the “criteria” contained in Section 9 made the delegation of discretion to the Commission lawful and constitutional. According to the Court, the statute “provides for a public hearing at which the Commission **shall consider the ‘reasonableness’ of the proposed annexation based upon the ‘criteria’ set forth in § 9.**” Based on these statutory “criteria,” the Court concluded that “**‘reasonableness,’ determined based on the statutorily enumerated criteria, is a sufficient guideline for the exercise of commission discretion.**” *Id* (Emphasis added).

Following the Court’s decision in *Midland*, the Court of Appeals again addressed the Section 9 “criteria” in *Chase v State Boundary Commission*, 103 Mich App 193, 203-4 (1981), where the Court concluded that “consideration of the statutory criteria of § 9 is critical in reviewing all valid petitions for annexation (Court’s emphasis). . . **By not examining the evidence in light of the statutory criteria of § 9, the commission’s decision was arbitrary, capricious and clearly in violation of law.**” (Emphasis added).

As a matter of administrative interpretation, the Boundary Commission has observed the importance of the statutory “criteria” by making them the central focal point of its

decisions. These "criteria" are addressed in the "Criteria Questionnaires" that the Boundary Commission requires all parties to file in annexation and incorporation proceedings. Traditionally, the Commission's decisions address all the relevant "criteria" in each decision the Commission renders.

Because of the importance of the "criteria," the Township presents the following discussion of the applicable "criteria" in this case as part of its 30-day submissions. Additional information is contained in the Township's Criteria Questionnaire.

### **ANALYSIS OF THE SECTION 9 CRITERIA IN THIS CASE**

#### **1 - 2. Population; Population Density.**

The Population of the Village of Sebewaing is 1,974, and the Township's population is 970. The Village has a land area of approximately 1 ½ square miles, and the Township's land area is 31 square miles.

#### **3 - 7. Land Area; Land Uses; Assessed Valuation; Topography; and Natural Boundaries and Drainage Basins.**

The two existing appendages south of the main body of the Village are largely undeveloped, with the exception of the commercial frontage along the main highway. The existing appendages include a large farm that has requested to be detached from the Village (See attached Exhibit 1, March 1, 2007 letter to Village Council from Robert Lutz, the owner of this farm), as well as the so-called "Country Living Condos" property, which has remained vacant and undeveloped within the Village for many years.

The portion of the proposed incorporation area as expanded by the State Boundary Commission surrounds the two southern appendages of the existing Village, and includes prime agricultural land and a 40-home subdivision developed more than 40 years ago.



Regardless of whether it approves or disapproves the petition, the Boundary Commission should not expand the limits of the present Village:

- As the Commission heard at the hearing from citizens in the expanded area, they have no interest in being included in the new proposed city.
- The farm property in the south area of the Village owned by Mr. Lutz has already asked to be detached from the Village (See attached Exhibit 1).
- The vacant land on the south side of the Village ("Country Living Condos" property) has been unable to develop because of the high Village tax.
- The subdivision of approx 40 homes in the expanded area (Area A) was developed almost 40 years ago; those residents are happy in the Twp, and do not want to be included in a city.
- The balance of Area A and B is farm property that should not be put inside city limits.
- The boundary of the expanded area also cuts the Lutheran Church property in two, dividing its church building from its school.

**8 - 9. The Past and Probable Future Urban Growth, Including Population Increase and Business, Commercial and Industrial Development in the Area; Comparative Data for the Village and the Township.**

The materials submitted by the Village at the public hearing state that the Village already has approximately 274 acres of commercially zoned land, 70% of which is not yet in use; and 83 acres of industrially zoned land, of which 50% is not yet used. The Village also states that it has 47 unused acres of residentially-zoned land. Thus, the Village would be able to accommodate substantial additional growth within its existing boundaries, without annexation and without incorporating as a city.

**10 - 15. Need for Organized Community Services; Probable Needs for Services; Practicability of Supplying such Services in the Area to be Incorporated; Probable Effect of the Proposed Incorporation and of Alternative Courses of Action on the Costs and Adequacy of Services in the Area to be Incorporated and on the Township; and The Probable Increase in Taxes in the Area to be Incorporated in Relation to the Benefits Expected to Accrue from Incorporation.**

This matter started with an ultimatum from the Village to the Township. The Village made two (2) demands of the Township (See attached Exhibit 2, Village's June 28, 2006 ultimatum letter to the Township). First, although the Township already pays approximately \$23,000 of the Village's annual road costs, the Village demanded that the Township pay more, or approximately 45% of the Township Road millage. Second, although the Township taxpayers already heavily subsidize the cost of fire and rescue service and library service within the Village, the Village demanded the same amount of subsidy for police service within the Village. The Village sought to achieve this latter subsidy by demanding that the Township "take over" the Village police department, even though the overwhelming benefit of that service goes to the Village (Exhibit 2). If the Township made these concessions, the Village said, it would not seek to incorporate as a city.

The Village has no plans to provide any new services to residents if it incorporates as a city, and has not projected any need for additional community services. If the Village incorporates as a city, however, it will need to duplicate a number of services that are already being provided to Village residents by the Township. It will also be required to undertake costly services that it does not presently provide to its residents.

Based on the incorporation petition in this matter, the main reasons suggested by the Village for cityhood are supposedly related to services and costs of services. The Township agrees that, in these days of increasing taxes and shrinking state revenue

sharing, it is more important than ever to be sure that residents are receiving the most economical and efficient municipal services possible. But it has not been shown that becoming a city will do that. Instead, if a city is formed, Village residents will have to pay more for many services they now receive from the Township and for other hidden costs:

**Election costs**

The City would be required to purchase its own voting machines, since the Township would no longer be providing election service to the Village residents. The City would also have to bear the annual cost of the City elections, including the elections necessary for establishing cityhood and all future City elections, which would duplicate costs now paid for through Township taxes.

New city voting machines	\$10,000
Annual city election costs	3,200

**Tax assessing and collection costs**

The Village presently relies on the Township for all costs and services related to tax assessing and collection. The new City would be required to bear \$20,700 of annual expense to duplicate these services.

Annual city assessing costs	\$11,000
Annual city assessment/ tax rolls cost	6,000
Annual city tax appeals costs	2,500
Annual city board of review cost	1,200

**Fire and ambulance service costs**

The Village does not provide fire or ambulance service, and will have to negotiate with the Township for such service if it becomes a city. Village residents presently pay for

43% of the Township's fire and ambulance department costs, but 74% of the fire and ambulance runs are in the Village, so Village residents get far more benefit than the amount they pay. Village residents are presently the beneficiaries of a subsidy for fire and ambulance service. If the new City contracts with the Township to continue to receive the existing fire and ambulance service Village residents now receive, it will cost the new City \$89,762 (\$37,603 more) annually to receive the same service.

74% of runs cost	\$89,762	
Present village cost	<u>52,159</u>	
Present subsidy	37,603	
Annual city cost		\$89,762

#### **Library costs**

Village residents pay for 43% of the costs of the Township library, but they are 67% of the population using the library. If the new City had to contract with the Township so that its residents could continue to continue receiving the existing library service, it would cost \$29,906 (\$12,433 more) annually for City residents to receive the same service.

67% of population	\$29,906	
Present village cost	<u>17,473</u>	
Present subsidy	12,433	
Annual city cost		\$29,906

#### **Road costs**

The Township has used its road millage for the following recent Village road projects: E Street improvements, \$11,346.45; street improvements around Lapeer Metal plant, \$117,158; Bay Street sidewalks, \$32,500; total \$161,004.45. This has amounted to

approximately \$23,000 of Village road costs annually paid by the Township, in addition to the costs of other Township roads used by Village residents. The new City would have to find a new funding source for the \$23,000 of annual road costs funded by the Township.

Annual Township road contribution	\$23,001
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**Marina costs**

The Township contributes \$8,000 annually to operate the Marina located in the Village. The Township would no longer be able to afford to make this contribution if the Village incorporates as a city.

Annual Township marina contribution	\$8,000
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**City manager cost**

In Michigan, only a tiny minority of villages have village managers, but almost all cities have city managers. Employment of a City Manager will be a substantial additional cost for the Village residents if the Village becomes a city.

Annual city manager salary & benefits cost	\$90,000
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<b><u>Total new city costs</u></b>	<b>\$274,569</b>
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<b><u>Needed city tax millage increase</u></b>	<b>7.6817 mills</b>
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Village residents are presently paying the Township a millage of 6.0158. As the above analysis shows, it will cost Village residents at least 1.6659 mills more than that to fund required replacement services for the city. So, Village residents have to ask themselves whether becoming a city is the right answer.

If the Village becomes a city, it will need to replace these Township services, and increase the total taxes to Village taxpayers. To maintain the same level of services

Village residents presently receive, **the new city tax millage will have to be substantially greater than the current Village and Township tax millages combined.**

In addition, the Village acknowledges that substantial transactional costs must be paid just for the necessary lengthy proceedings and costs needed to become a city. About \$50,000 or more will be spent for attorney fees, charter drafting and as many as three (3) special elections for the referendum and charter approval. **The Village taxpayers are going to pay for these costs as well.**

In 2005, the Village of Sparta Cityhood Investigation Committee reviewed the realistic cost increases which that village would incur through city incorporation, and strongly recommended that the village not seek to incorporate as a city. After looking at the services that the new city would have to duplicate, at a substantial cost in excess of the taxes that village residents paid to the township for those same services, the Committee concluded that **"becoming a city would only duplicate these services and increase city operational costs"** (See attached Exhibit 3, 2005 Sparta Committee Report).

As demonstrated above, the Township presently provides services of substantial value to Village residents, at a subsidized cost, and at a cost that is substantially less than the Village's cost to duplicate those services. If the Village incorporates as a city, the Township will no longer be able to pay these costs for Village residents, and the new city will be required to undertake these and other costs on its own. As further shown above, the cost of new and replacement services for a new city will exceed the amount of general taxes that Village residents currently pay to the Township. Therefore, in order to maintain the same level of services that Village residents presently receive, it will be necessary for Village residents to pay the new city a millage that is greater than the current Village and

Township millages combined. Village residents will have to pay the new city a substantial tax increase, but no measurable increase in services will accrue from those higher taxes.

**16. The Financial Ability of the Incorporating Municipality to Maintain Urban Type Services in the Area.**

Clearly, the Village is struggling under the cost of its police department, as witnessed by its ultimatum to the Township to "take over" that police department (Exhibit2).

Incorporation will not assist the Village in reducing this cost, however, but will only further isolate that and other costs to the Village residents alone.

The Village is already providing some urban type services in the area, but does not propose to increase, improve or modify those services if it becomes a city. Many of the existing urban services are provided to Village residents by the Township, as discussed above. The Village will either have to duplicate these services at higher costs or contract with the Township at higher costs to provide for such services if it becomes a city.

The average Michigan city levies about 4 mills of property tax more than the average Michigan village. The millage rate in the Village is already almost 17.5 mills. If it becomes a city, it will be one of the highest-millage-rate cities in the State of Michigan.

Villages and cities have exactly the same powers to foster economic development, but the Village is not using all of the authorized economic development techniques today. Many residents know that the largest barrier to local development is the Village tax millage, about 17.5 mills, which is already higher than most cities. Since cityhood would raise taxes even further, it would not likely promote development.

Cityhood will not significantly affect the amount of state revenue sharing to the Village. Most of the Village's state revenue sharing (constitutional) is based on population, and would not be affected. A smaller portion (statutory) is computed by a formula with

several factors, but the state has been steadily reducing this portion of revenue sharing. For example, Harbor Beach is a city in Huron County with about the same population as the Village of Sebewaing, but Harbor Beach gets less state revenue sharing than Sebewaing gets as a village.

The Village would not receive higher road payments if it became a city. The state pays the Village road money under Act 59 based on the miles of roads within the Village. Cityhood will not change this.

**17. The General Effect upon the Entire Community of the Proposed Action.**

The community as a whole, and particularly Village residents, will be required to pay higher costs for the same level of services that they are receiving today.

Incorporation as a city will be potentially divisive within the community, especially if the new city finds that it must pursue further annexations in order to simply break even on the increasing costs that it will be required to bear after city incorporation.

Cityhood could adversely affect the small-town character of Sebewaing. Most local people see this as an important reason why they live in the Sebewaing community. City governments tend to be more bureaucratic and less personal than villages and townships.

Even within the Village itself, support for the proposed city incorporation is extremely narrow. At the public hearing, with few exceptions, the only Village residents to support the city incorporation were Village officials and employees.

**18. The Relationship of the Proposed Incorporation to Any Established City, Village, Township, County, or Regional Land Use Plan.**

There is no support for the city incorporation in any officially-adopted plan by the Village, the Township, the County, or any other level of government.

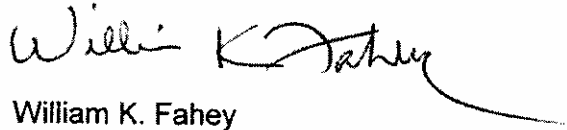


**CONCLUSION**

Sebewaing Township respectfully submits that, under the mandatory Section 9 criteria, it would not be reasonable to incorporate the Village of Sebewaing as a city.

Respectfully submitted,

FAHEY SCHULTZ BURZYCH RHODES PLC  
Attorneys for Sebewaing Township

  
William K. Fahey

October 6, 2008

Exhibit 1

650 W. Hickory  
Selawing MI 48839  
3-1-07

Dear village council:

I have recently purchased a portion of the agricultural land owned by Don Bollstetter which is in the village limits. I am asking if you would consider releasing the land from the village to the township.

Some of the reasons which may warrant such a move are as follows:

1. The property has no access to any road except by an agricultural easement thru the property owned by Mark & Debra Krans on Caro road. There is also a drainage ditch separating the new property from the remaining Bollstetter property.
2. The property is all agricultural farm land and the intent is to keep it that way. Also the value paid for the property reflects farmland values.
3. I have received no splits when purchasing the property. (right to sell off a portion without subdividing the property)
4. Village line properties would be more in line with other properties along M-25.

I thank you for your time and  
consideration. Please advise me of your  
decision.

Respectfully  
Robert Lutz

## VILLAGE OF SEBEWAING, MICHIGAN

(An Equal Opportunity Employer)

GATEWAY TO HURON, MICHIGAN'S LEADING AGRICULTURAL COUNTY

Phone (989) 883-2150 - Zip Code 48759 - 108 West Main Street

June 28, 2006

Dear Township Trustees:

The Village of Sebewaing is actively engaged in the process of becoming a city. There are many reasons for this decision, but the most important is the need to reduce taxes for the residents of the Village and to enhance economic growth within the Village.

However, before the Village, which is part of Sebewaing Township, continues with this process, it was decided that a show of good faith to the Township should be shown. Therefore, the Village asks that Sebewaing Township consider the following proposals:

1. Sebewaing Township will return a 45 per cent share of the new road millage to the Village of Sebewaing to be used to repair or upgrade Village roads. Since the residents of Sebewaing pay 45 per cent of the road tax, the Village's share of the road money should be used to improve village roads. Presently all Township money is used for roads outside the Village, even though, the Village of Sebewaing is part of the Sebewaing Township. Roads in both the Township and the Village are used by all residents whether they live inside or outside the Village of Sebewaing.
2. Sebewaing Township will take over the responsibilities of the local police department. Thus, the Sebewaing Village Police Department will become the Township Police Department. This way we would all pay for and profit from having a local police department. Also it means that all emergency services will be managed through the Township.

If we can come to terms on these issues, we will not continue the process of becoming a city. Otherwise, we will have no alternative except to continue. With respect to the Village of Sebewaing, please respond to the above request by ~~July 11, 2006~~

Respectfully,

July 17, 2006  
8:00am

Sebewaing City Study Committee

Cityhood Investigatory Committee Summary and Recommendation on  
Governmental Transition for Sparta Village

INTRODUCTION

The Cityhood Investigatory Committee was created in February 2005 with the purpose of reviewing the positives and negatives specific to Sparta on becoming the City of Sparta. The Committee was further tasked with evaluating the positives and negatives of a potential change in municipal status and recommending back to the Village Council whether or not to proceed with becoming the City of Sparta.

Membership on the Committee was by appointment of Sparta Village Councilmembers who presented three names of individuals from the community to evaluate the information that could be provided on the transition from a village to a city. The Committee's membership was composed of 19 residents and business owners with representatives from the local police department, fire department, ambulance service, and school district also serving in an advisory capacity.

COMMITTEE REVIEW AND DISCUSSION

On March 31, the Committee convened for the first time to hear a presentation from the Michigan Municipal League regarding the technical aspects of transitioning forms of government and to take questions and answers from the Committee. Following this initial presentation, the Committee membership forwarded to Village Manager Chodkowski their individual lists of concerns for research and presentation to the Committee. The Committee's second meeting was scheduled for June 1, 2005, to discuss its lists of questions and concerns with Manager Chodkowski.

At the June 1<sup>st</sup> meeting, the Committee discussed the contents of the memo prepared by Manager Chodkowski referencing the previously submitted lists of questions on the matter of cityhood. Following discussion, the Committee's consensus on certain issues is as follows:

**Transition Costs:** The Committee understood that certain expenditures would accompany the transition process but felt that under certain circumstances these costs could be offset in a reasonable time following the transition.

**Tax Increase:** The Committee clearly indicated that the transition from a village to a city would have to result in a tax rate that was not significantly higher than that currently in place. The Committee clearly understood that the issue of tax neutrality following the transition would rely heavily on an expansion of municipal boundaries.

**Image Affect:** The Committee did discuss how the change in municipal status might affect the overall image of Sparta. The Committee felt that the image of a small, rural community could still be maintained following a transition if the proper zoning and development policies were adopted by the governing body.

**Future Staffing:** The Committee reviewed what types of services a city would be obligated to provide in the future that are not currently required to be provided by the Village. After discussion, the Committee acknowledged that certain services such as an assessor and building inspector would be needed but was unable to determine what type, if any, additional municipal employees would be needed.

**Effect to Township:** The Committee did determine in its review of the information presented that there were potential financial issues to the Township if the transition in government included a large expansion of municipal boundaries, but this was not a relevant matter in making a recommendation on a change in municipal status.

**Intergovernmental Services:** The Committee identified this issue as one that would be pivotal in helping to determine whether or not the transition of village to city would be beneficial for the Village's current residents based on the Committee's desire to see a tax-neutral transition. This matter was tabled to be specifically discussed at a future meeting.

**Municipal Boundaries:** The Committee determined that the key to a transition in municipal status while maintaining tax neutrality would be highly dependent on the expansion of municipal boundaries. This matter was tabled to be discussed separately at a future committee meeting.

Following the Committee's consensus on the above matters, the group adjourned until August 25 to allow Manager Chodkowski time to review, research, and analyze the effects the intergovernmental agreements in place between the Village and Township would have in the transition of government.

At the meeting held on August 25, the Committee looked at the two services being shared by the Village and Township Governments at this time: Sparta Carnegie Library and the Sparta Fire Department. In evaluating these services, the Committee found the following:

**Sparta Carnegie Library:** The library is currently funded by the Township through general tax dollars, and Village residents pay a Township tax. However, if a transition to cityhood were successful, new city residents would no longer pay this Township tax, and the city would need to contribute funds towards the library's operation for city residents to use the library's services. After reviewing several scenarios, the Committee felt that the funding of the library should be proportionate to where library members live, and it was clear that cost to the city would be an annual, on-going expense not currently paid by the Village. This new cost would have to be paid by the city through general tax income, limiting the funding available to other services or projects, or through an increase in millage defeating the Committee's resolve to see a tax-neutral transition in government.

**Sparta Fire Department:** The Village and the Township currently provide for fire services through an intergovernmental agreement where the Village pays one-third of the department's operational costs and the Township pays two-thirds of the department's operational cost. Both the Village and the Township make their contributions to the department through their respective general tax revenues. Based on the Committee's discussion, the group felt that the best way to provide this service should a transition in government occur would be to establish an

independently funded Sparta Fire District under the guidance of an independently elected board. The Committee did acknowledge that based on its desire to see tax neutrality in the governmental transition, the potential city's tax rate would need to be reduced by nearly 2.5 mills from the Village's current tax rate since the estimated tax rate an independent district would need to levy to operate the fire department would be approximately 2.5 mills.

After the Committee reached recommendations for the continuation of fire and library services, the Committee adjourned to allow Manager Chodkowski to research potential municipal boundary expansion. The Committee asked Manager Chodkowski to consider areas for boundary expansion that could be serviced by existing utility systems.

The Committee reconvened on October 19 to discuss potential municipal boundary expansion resulting from the transition of governmental status. The Committee reviewed a recommended area of approximately 5.5 square miles located mostly to the south and west of the existing Village limits. Based on the parameters set by the Committee, this area was the most qualified because the area to the west could be served by the water system, the southwest area could be readily served by both water and sanitary sewer services, and the area to the south could be serviced by sanitary sewer services. The Committee discussed the issue of boundaries for quite some time but could not reach a consensus on what would be appropriate boundaries to recommend.

Following its discussion on potential municipal boundaries following incorporation as a city, the Committee agreed, with a majority of its membership present, to vote on a recommendation to the Village Council on whether or not to pursue incorporation as a city.

#### FORMAL RECOMMENDATION & FINDINGS

The Committee formally passed a motion at its October 19 meeting recommending that:

Village Council not proceed with the process of incorporating the Village of Sparta as a city and strongly encourage both the Sparta Village Council and the Sparta Township Board to form an independent fire authority to operate and fund the Sparta Fire Department.

This recommendation is based on the following reasons:

Currently the Township provides to Village residents, through its general tax revenues election operations, property assessment, building inspections, and library services. These services are funded by the Township millage which is currently at .9861 and generates a total income of \$91,000 from existing Village properties. If the Village were to become a city, these same services are estimated to annually cost \$146,000. The difference between the cost for these services through the Township and what they could be provided for through the city is approximately \$55,000. Based on the fact that these services are already being provided through the Township, becoming a city would only duplicate these services and increase city operational costs.

The Committee focused on a change in municipal status that would be tax neutral for current Village residents. In an effort to hold this position by assuming certain costs, the Committee factored into its discussion the increase in operational costs listed above as well as an independent fire authority. Based on these assumptions, the Committee found that the necessary millage rate to continue current funding levels to an independent fire authority would be approximately 2.5 mills. To establish an independent fire authority with a millage, the city would have to reduce its operating millage by as much and in so doing would create a constraint on general tax revenues which could lead to a reduction in existing municipal services.

Boundary expansion, in cooperation with the transition in governments, would be needed to meet the Committee's desire to make the transition from village to city tax neutral. In evaluating the area most likely to be incorporated as the new city boundaries, initial estimates on taxable values in the area could not generate enough revenues to adequately cover future municipal operations. Furthermore, the Committee found that a boundary expansion of the size being proposed would cause significant controversy between the Village and the Township Governments. The Committee also felt that the residents in the area proposed to be incorporated would not see a significant increase in services for the large increase in tax that would be associated with incorporation, causing additional friction between residents of the community. Conversely, the Committee felt current Village residents would most likely see a decline in services because existing resources would now be required to provide the same services over a larger area.

Other issues such as growth, development, and intergovernmental services were discussed by the Committee. The overall consensus of the Committee was that differences between the Village and Township on these controversial issues was not so great to merit a change in municipal structure to resolve the matters. Rather, the Committee felt that these issues stemmed from the political bodies failing to adequately work together and communicate on issues in everyone's best interest. It was the opinion of the Committee that these issues could be addressed more expediently and cost effectively by simply increasing communications and joint planning than by incorporating the Village into a city.

## CONCLUSION

The issue of whether or not to incorporate the Village of Sparta into the City of Sparta has been an ongoing subject of debate dating back to the 1950's. The Committee, in its review of the information, acknowledged that there were a few positive points in transitioning to a city form of government over that of a village form. These positive aspects of incorporation are largely intangible in nature compared to the very real negatives: costs and taxes.

Based on the information reviewed in the Committee analysis, the transitioning from a General Law Village to a Home Rule City is not one that will substantially improve the delivery of services for current Village residents or create a politically stable community which will positively impact growth and development. In the opinion of the Committee, intergovernmental service arrangements currently between the Village and the Township need to be addressed in a way that is mutually beneficial in services and costs, a larger tax base needs to be created within the Village, and a plan showing cost effective use of staff capable of meeting the increase in



governmental responsibilities resulting from incorporation all need to be in place before incorporation as a city can truly be beneficial to the current Village resident.

Respectfully submitted on behalf of the Committee,

In Abstentia

Athena Eary,

Committee Chairperson

Paul Schulz,

Committee Vice-Chairperson